



June 8, 2009

El Paso Electric Requests Second Decrease this Year to Texas Customers' Bills

Decreases in natural gas prices in recent months have resulted in a significant decrease in El Paso Electric's cost of producing electricity. As a result, of these decreases, El Paso Electric has asked the Public Utility Commission of Texas (PUCT) to approve a decrease in its fuel factor charge. The requested fuel factor decrease, if approved, will be included in electric bills no later than September 2009. However, if feasible, and if approved by the PUCT, EPE would like to implement the reduced amounts in the August 2009 bills.

"We are hoping to get approval to implement the lower fuel factor costs in August so that our customers can benefit from lower bills during the late summer months," said David Stevens, El Paso Electric Chief Executive Officer.

The fuel factor charge on customer electric bills reflects fuel-related costs needed to supply customers with electric power. This charge includes the costs of the fuel used to generate electricity such as natural gas, coal and uranium for nuclear power, as well as electricity purchased from other utilities. If the fuel factor decrease is approved, residential customers using 500kWh per month would see a \$2.50 reduction on their bills.

The request for a fuel factor decrease is the second request by El Paso Electric this year to reduce customer bills. In April, EPE filed a request with the PUCT to terminate a fuel surcharge that expired in March 2010. A second surcharge was completed in April pursuant to the terms of the surcharge. The termination of both fuel surcharges, which took effect in May, saved EPE's customers using 500 kWh a month approximately \$4.16 on their monthly bills.